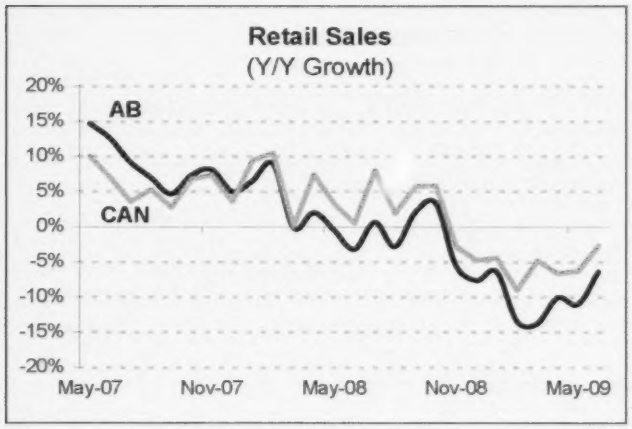
Retail Sales

Consumer spending continues to recover…

Retail sales in Alberta rose for the third consecutive month in June, increasing 1.3% to $4.7 billion on a seasonally adjusted basis. The year-over-year decline has moderated to 6.5% from the double digit declines reported for the past four months. On a per-capita basis, Albertans continued to spend the most among provinces, at $7,662 for the first half of 2009. Driven by higher gasoline prices, Canadian retail sales also went up by 1.0% from May.

In the second quarter of 2009, Alberta's retail sales jumped 21.2% from the previous quarter, largely driven by strong sales in the car showrooms (35.5%) and building and home supplies stores (64.9%).



Average Weekly Earnings

Wages are still rising …

Alberta's average weekly earnings continued to grow in June, up 2.0% from May to a seasonally adjusted $962.77. The province still has the highest average weekly earnings in the country, well above the national average of $823.23.

On a year-over-year basis, wage growth moderated to 4.3% from 4.9% in May, but remained above the Canadian average of 1.9% by a wide margin. In th first half of 2009, Alberta's average weekly earnings grew by 4.6% compared to the same period last year.

Canadian Dollar (US¢/CS)	
August 28, 2009	91.92
August 21, 2009	92.60
2009-10 YTD	87.34
WTI Oil US$/bbl	
August 27, 2009	$72.49
August 20, 2009	$72.54
2009-10 YTD	$62.81
Nymex Natural Gas CS/MMBtu *	
Near-month Contract	
August 28, 2009	$ 3.34
August 21, 2009	$ 3.19

* Estimate based on Nymex Futures Market Price

Employment Insurance

Number of E.I. recipients continue to rise …

61,140 Albertans received regular E.I. benefits in June, up 9.4% from May. On a year-over-year basis, the number of beneficiaries jumped 263.9%. in large part due to the province's very low unemployment prior to the current downturn. In the first half of 2009, about 96 out of every 1000 adults received E.I benefits in Alberta, well below the national average of 158.

Corporate Profits

Canadian companies make less profits…

Operating profits of Canadian corporations continued to drop in the second quarter, down 6.4% from the first quarter and down 35.1% since their peak in the third quarter of 2008. Profits declined for almost all sectors, particularly for the petroleum and coal manufacturers (-26.3%) and finanical industries (-13.1%). On a side note, a few major Canadian banks reported record third-quarter profits this week.

Industrial Product and Raw Materials Price Indexes

Input prices are declining …

Driven by lower petroleum prices, the Industrial Product Price Index (IPPI) and the Raw Materials Price Index declined 0.5% and 3.8% respectively in July compared to June. The IPPI stood at its lowest level in 18 months and was down 7.0% from the peak reached in August 2008.

Alberta

CURRENT ECONOMIC INDICATORS

August 28, 2009

Overall Economy	2007	2008	2009YTD*	Feb	Mar	Apr	May	Jun	Jul
Real GDP (in 2002 $billions)	187.5	187.0	--	--	--	--	--	--	--
% change	3.1	-0.2	--	--	--	--	--	--	--
Nominal GDP ($ billions)	258.9	291.7	--	--	--	--	--	--	--
% change	8.1	12.6	--	--	--	--	--	--	--
Population[1] (000's) (level)	3,511	3,585	3,654	--	--	3,654	--	--	--
% change	2.6	2.1	2.6	--	--	2.7	--	--	--
Net Interprovincial Migraton[1] (level)	33,809	10,010	18,269	--	--	7,144	--	--	--
Net International Migration[1] (level)	16,136	19,283	13,179	--	--	4,175	--	--	--
Net Non-permanent Residents[1] (level)	13,539	17,890	17,557	--	--	4,626	--	--	--
Labour Market									
Employment (000's)	1,959	2,013	1,991	2,002	1,987	1,993	1,994	1,990	1,986
% change	4.7	2.8	-0.7	0.2	-1.0	-0.9	-1.1	-1.6	-1.6
Unemployment Rate (%)	3.5	3.6	6.0	5.4	5.8	6.0	6.6	6.8	7.2
Average Hourly Wage Rate	6.0	5.7	4.9	4.5	3.6	4.3	5.0	6.1	4.6
Average Weekly Earnings[2] NEW!	5.8	6.0	4.6	4.5	4.8	2.1	4.9	4.3	--
Labour Income[3]	11.3	8.4	4.0	3.9	3.0	--	--	--	--
Price Indices									
Consumer Price Index	5.0	3.1	-0.1	2.1	0.9	-0.7	-0.7	-1.6	-1.5
Excluding food and energy	4.9	1.9	1.5	2.0	1.4	1.1	1.7	1.6	1.4
Non-Res. Const. Cost Index[4] (quarterly)	17.3	13.2	-6.3	--	-1.0(Q1)	--	--	-11.3(Q2)	--
Farm Product Price Index	14.3	11.1	-6.6	-5.9	-4.7	-6.1	-12.0	--	--
Crops	41.4	26.3	-23.8	-22.0	-23.0	-25.4	-29.3	--	--
Livestock	0.7	2.1	10.4	12.4	17.5	12.3	-2.5	--	--
Household Sector									
Housing Starts (SAAR, 000's)	48.1	29.0	15.2	12.6	11.9	14.2	14.2	20.0	17.6
% change	-2.1	-39.7	-54.7	-62.4	-77.0	-53.3	-55.6	-12.7	-38.0
New Housing Price Index	22.5	0.7	-9.8	-9.6	-10.5	-10.7	-9.8	-9.8	--
Edmonton	32.1	1.0	-11.8	-12.2	-12.3	-12.5	-11.7	-11.7	--
Calgary	16.2	0.6	-7.8	-7.1	-8.7	-8.8	-7.9	-8.0	--
MLS Average Resale Prices NEW!	24.3	-1.4	-7.1	-9.2	-10.4	-6.8	-5.8	-4.6	-2.4
Edmonton	34.3	-2.0	-6.0	-8.7	-10.1	-7.4	-4.2	-3.8	-3.1
Calgary	18.7	-2.9	-9.1	-10.8	-11.3	-10.1	-8.7	-6.3	-5.2
Retail Sales NEW!	9.3	-0.1	-10.2	-13.5	-13.8	-10.1	-11.0	-6.5	--
New Motor Vehicle Sales	3.3	-7.3	-27.2	-35.4	-31.9	-24.4	-27.8	-21.8	--
Business Sector									
Public and Private Investment[5]	9.1	3.6	-17.2	--	--	--	--	--	--
Mining and oil and gas[5]	0.3	-1.4	-28.2	--	--	--	--	--	--
Rigs Drilling	-35.2	-2.1	-48.2	-43.9	-60.8	-42.0	-39.2	-56.3	-66.2
Goods Exports (customs based)	5.3	33.2	-37.2	-30.2	-36.1	-39.8	-46.0	-39.7	--
Energy	4.4	40.9	-43.4	-35.1	-44.0	-47.2	-51.7	-43.0	--
Agriculture	9.8	28.6	-2.6	3.6	-3.9	6.9	-17.6	-10.8	--
Total Farm Cash Receipts (quarterly)	11.9	15.2	4.5	--	4.5(Q1)	--	--	--	--
Manufacturing Shipments	1.9	6.9	-20.7	-15.1	-13.9	-24.7	-27.7	-26.7	--
Wholesale Trade	5.0	10.9	-9.2	-6.3	-4.4	-12.2	-20.9	-11.6	--
Building Permits	13.4	-16.5	-38.9	-66.9	-29.9	-40.9	-18.5	-25.0	--
Residential	10.7	-31.5	-48.5	-72.4	-38.9	-44.2	-49.1	-17.5	--
Non-residential	17.1	3.7	-29.7	-61.8	-20.7	-37.3	13.0	-30.9	--

Government of Alberta
Finance and Enterprise

* YTD – year-to-date represents the change since the beginning of the year compared to the same period in the previous year.

[1] Quarterly; annual numbers are presented on a census year basis (July 1 - June 30). The April population estimate is also the 2009 year-to-date value.

[2] The average weekly earnings series was extensively revised on March 31, 2009 and is no longer comparable with numbers in previous Bulletins

[3] Total income earning in Alberta including wages and salaries, and supplementary income.

[4] Average of Calgary and Edmonton.

[5] 2009 total based on revised investment intentions, 2008 preliminary actuals, and 2007 actuals; 2009 mining and oil and gas based on initial investment intentions.

Sources: All data is from Statistics Canada except Housing Starts (Canada Mortgage and Housing Corporation), MLS Average Resale Prices (Canadian Real Estate Association) and Rigs Drilling (Canadian Association of Oilwell Drilling Contractors).

Alberta

CURRENT ECONOMIC INDICATORS, BY PROVINCE

	Canada	Nfld.	P.E.I.	N.S.	N.B.	Que.	Ont.	Man.	Sask.	Alta.	B.C.
Conference Board Forecast (Summer 2009)											
Real GDP Growth											
2008 (actuals, Statistics Canada)	**0.5%**	-0.1%	0.9%	2.0%	-0.0%	1.0%	-0.4%	2.4%	4.4%	**-0.2%**	-0.3%
2009	**-2.1%**	-3.4%	0.8%	0.3%	0.9%	-0.7%	-3.0%	0.8%	-2.7%	**-2.7%**	-2.5%
2010	**2.8%**	0.0%	2.2%	1.2%	2.8%	1.8%	3.1%	1.8%	3.5%	**3.3%**	3.4%
Population (As of April 1, 2009)											
Population	**33,592,686**	508,726	140,638	939,475	748,866	7,799,372	13,014,018	1,217,163	1,027,092	**3,653,840**	4,435,344
Annual Growth Rate[a]	**1.23%**	0.20%	1.19%	0.18%	0.26%	0.89%	1.02%	1.16%	1.49%	**2.71%**	1.70%
Net Interprovincial Migration											
2008 Census Year (July 1, 2007 to June 30, 2008)		1,299	42	-117	-325	-12,399	-16,522	-503	8,067	**10,010**	11,458
1st Quarter (January 1, 2009 to March 31, 2009)		98	-66	-357	61	-2,016	-5,015	-181	545	**7,144**	-16
Employment											
Level Change (000s)[b]	**-347.1**	-8.2	-0.4	-5.7	-0.5	-46.7	-185.5	-1.4	11.4	**-32.2**	-78.0
Percent Change[b]	**-2.0%**	-3.4%	-0.5%	-1.2%	-0.1%	-1.2%	-2.7%	-0.2%	2.2%	**-1.6%**	-3.3%
Unemployment Rate, 2009 avg (SA)	**8.1**	15.2	12.2	9.0	9.0	8.4	8.9	4.9	4.7	**6.0**	7.3
Participation Rate, 2009 avg (SA)	**67.4**	59.1	67.7	64.5	64.8	65.4	67.4	69.3	70.4	**74.6**	65.9
Average Weekly Earnings											
June 2009	**823.23**	804.81	691.63	726.11	737.45	770.86	843.43	765.26	803.77	**962.77**	798.75
Y/Y Percent Increase[c] NEW!	**1.9%**	4.9%	6.7%	2.6%	1.8%	2.7%	0.7%	2.8%	2.6%	**4.3%**	1.4%
2009 Wage Settlements										**4.7%**	
CPI Inflation											
July Annual	**-0.9%**	-0.9%	-1.3%	-1.0%	-0.4%	-0.3%	-1.2%	0.0%	0.9%	**-1.5%**	-1.6%
Excluding Shelter	**-0.6%**	-0.3%	0.7%	-0.3%	-0.3%	-0.3%	-1.1%	-0.4%	0.1%	**-0.2%**	-0.6%
Housing Starts (000s)											
SAAR July 2009	**132.1**	2.9	0.6	3.3	3.8	44.2	39.1	4.0	3.6	**17.6**	13.0
Retail Sales											
Percent Change[d]	**-2.7%**	5.7%	-0.1%	2.8%	-1.0%	-0.3%	-2.9%	1.3%	1.1%	**-6.5%**	-6.9%
2009 YTD Retail Sales Growth NEW!	**-5.6%**	1.3%	-1.6%	-2.4%	-2.1%	-3.3%	-5.0%	-3.6%	-3.1%	**-10.2%**	-9.2%
Manufacturing Shipments											
Percent Change[d]	**-23.1%**	-42.2%	-18.7%	-20.2%	-33.4%	-16.5%	-26.4%	-9.6%	-9.0%	**-26.7%**	-17.4%

a. Over the past 12 months
b. July 2009 Y/Y change, unadjusted for seasonal effects
c. Updated to June 2009
d. June 2009 Y/Y change, unadjusted for seasonal effects
SA-Seasonally Adjusted, SAAR-Seasonally Adjusted Annual Rate
Source: Statistics Canada, Canada Mortgage and Housing Corporation and Conference Board of Canada